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RUEHDM/AMEMBASSY DAMASCUS PRIORITY 3307
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STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XXXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

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TAGS: [OPRC](#) [KMDR](#) [IS](#)

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Secretary Rice Visit to the Middle East

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Key Stories in the Media:

All media highlighted Saudi Foreign Minister Saud al-Faisal
statement during a joint press conference with Secretary Rice that

if and when Saudi Arabia receives an invitation to the international peace conference this fall they will study it and "will be keen to attend."

All media reported on Secretary Rice's meetings in Israel. Ha'aretz's headline was that PM Olmert suggested to Secretary Rice that Israel and the Palestinians would outline the principles for establishing a Palestinian state before the regional summit. The paper quoted government sources as saying that the Americans and Israelis agree that the Palestinians will be unable to implement a final deal and therefore it is necessary to proceed cautiously. The Jerusalem Post quoted Israeli officials as saying that Saudi Arabia's positive response to the peace conference signals the beginning of the bargaining process to bring them to the meeting. The paper also wrote that the planned regional meeting was the main topic of Rice's discussion with PM Olmert.

The media reported that PM Olmert emphasized that Hamas should be "kept out of the game." Yediot reported that PM Olmert announced that Israel would be willing to forward the Palestinians security control over West Bank towns only after it receives security guarantees that they will not be used as terrorist bases. Ha'aretz and YNET (Yediot's internet website - the most popular Israeli news site) reported that PM Olmert told Secretary Rice that he would be happy if other moderate Arab states such as Tunisia, Morocco, Bahrain and the Gulf states would take part in the regional meeting.

Secretary Rice's meeting with FM Livni: The media highlighted

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Secretary Rice's comment that the U.S. has not started handing out

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invitations for the regional meeting and that it is too early to expect responses on participation. FM Livni was quoted as saying in the joint press availability that the most sensitive issues should not be put on the table immediately.

Maariv reported on Secretary Rice's meeting with President Peres and mentioned the latter's invitation to President Bush to be the honorary guest at Israel's 60th anniversary celebration.

YNET (Yediot's internet website) quoted an American source as saying that in the upcoming weeks Secretary Rice and her assistant David Welch are expected to visit the region several times before the regional meeting will take place.

Leading media quoted Moussa Abu Marzouk, a senior Hamas official, as saying that the planned peace conference is a publicity stunt. Ha'aretz quoted a close advisor to PM Haniyah as saying that any future agreement would not be implemented unless Hamas decides to approve it.

The Jerusalem Post reported that Hamas PM Ismail Haniyah returned a salary payment he received from the Fatah government in protest of what he said was the "blackmailing" of the Palestinians.

Yediot reported that a secret message was forwarded to Jerusalem saying that if Israel continues to reject the Syrian calls for peace it is risking a war of attrition in the Golan Heights.

Ha'aretz quoted United Nation's Mideast envoy Michael Williams as saying that Israel is interested in a two-stage prisoner exchange deal with Hezbollah. He added that the organization has so far declined the offer.

YNET quoted Egyptian President Mubarak as saying on Wednesday that action to resolve the Palestinian crisis is of utmost importance and that hope for a solution must remain alive.

Secretary Rice Visit to the Middle East:

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Summary:

Diplomatic correspondent Aluf Benn wrote in the independent, left-leaning Ha'aretz: "The good news is that something is stirring in the peace process.... The bad news is that the initiatives and plans are based on an imaginary reality and on establishing a make-believe Palestinian state.... the Israeli partner is also weak, and in the absence of a leadership that can force its policy on the operative level, the peace process will continue to be conducted like a virtual exercise in diplomatic conferences and dinners."

The conservative, independent Jerusalem Post editorialized: "The Arab states cannot have it both ways. They want the US to be successful in its confrontation with Iran, but the US is hamstrung and distracted by the war in Iraq and the Arab conflict with Israel. They cannot urge the US to act while barely lifting a finger to remove impediments to action that are largely of their own making and certainly within their power to ameliorate."

Senior Arab affairs commentator Zvi Barel wrote in the independent, left-leaning Ha'aretz: "Saudi Arabia's recent announcement that it will participate in U.S. President George W. Bush's international conference on peace in the Middle East next fall comes as no surprise. After all, it closely followed Washington's announcement that it would sign a whopping \$20 billion arms deal with Saudi Arabia."

Block Quotes:

II. "Gloomy Conclusion"

Diplomatic correspondent Aluf Benn wrote in the independent, left-leaning Ha'aretz (08/02): "The good news is that something is stirring in the peace process.... The bad news is that the initiatives and plans are based on an imaginary reality and on establishing a make believe Palestinian state.... Let's face reality: In the absence of an effective Palestinian security force and an Israeli Qassam-interception system there can be no significant pullout from the West Bank and handing over territory to a Palestinian state. Any symbolic withdrawal from outposts or isolated settlements is unlikely.... In these circumstances, the gap between the diplomatic discourse and reality widens.... The 'roadblock test' is a good indication for the seriousness of Israel's intentions and for Olmert's ability to make a change in the existing reality. So far the performance has been poor.... The gloomy conclusion from all of this is that the Israeli partner is also weak, and in the absence of a leadership that can force its policy on the operative level, the peace process will continue to be conducted like a virtual exercise in diplomatic conferences and dinners."

II. "Arabs on the Fence"

The conservative, independent Jerusalem Post editorialized (08/02): "The Arab states, not the Palestinians per se, we must remember, created the Arab-Israeli conflict.... The new reality is that rejectionism has completely boomeranged against the Arab states.... The supposed intractability of the Arab-Israeli conflict directly serves Iranian ends, and therefore directly threatens the Sunni-led Arab states. The Arab states cannot have it both ways. They want the US to be successful in its confrontation with Iran, but the US is hamstrung and distracted by the war in Iraq and the Arab conflict with Israel. They cannot urge the US to act while barely lifting a finger to remove impediments to action that are largely of their own making and certainly within their power to ameliorate.... The Arab states ... should realize that they already have much more to lose from risking an Iranian victory with their timidity than from helping the US out of its current quasi-paralysis."

III. "Saudi's Participation"

Senior Arab affairs commentator Zvi Barel wrote in the independent, left-leaning Ha'aretz (08/02): "Saudi Arabia's recent announcement that it will participate in U.S. President George W. Bush's international conference on peace in the Middle East next fall comes as no surprise. After all, it closely followed Washington's announcement that it would sign a whopping \$20 billion arms deal

with Saudi Arabia.... Should a Saudi delegation attend the summit alongside a delegation from Jerusalem, it will be an important -- albeit not unprecedented -- breakthrough for Israel.... Saudi Arabia's participation in the international summit bears tremendous significance for consolidating the consensus reached at the Arab League summit of 2002, in what became known as the Arab Initiative.... While attending Bush's summit is hardly a substitute for establishing diplomatic relations with Israel, and certainly does not constitute a foundation for normalizing relations with Israel, it is nonetheless an important gesture.... The Saudis might have well waited months before confirming their intention to participate in Bush's conference. But their decision to announce so soon is designed to send signals to other regional players."

JONES